Report of the
Legislative Review Committee

As Per Section 257.107(1)
Education Act

January 27, 2004

The Honourable Gerard Kennedy
Minister

Dear Minister,

We are pleased to present you with the final version of our report on education funding in Ontario.

As you know, Section 257.107 of the *Education Act* requires that a committee review whether the legislation and regulations governing education funding operate in a fair and non-discriminatory manner as between public and Catholic boards in both the English-language and the French-language systems.

We have conducted our review within the terms of the legislation and have concluded that the legislation and regulations governing education funding appear to operate in a fair and non-discriminatory manner as between English public and English Catholic boards. However, due to the limitations of the available data as well as other methodological constraints, we were unable to reach a definitive conclusion regarding fairness and non-discrimination as between French public and French Catholic boards.

We want to underscore that our findings should not be taken as an unqualified endorsement of the funding formula in its current form. All four associations continue to have significant concerns related to a variety of issues, many of which are noted in the body of the report, as well as in the attached appendices from each association. Since the views expressed in the association appendices address issues outside the parameters of the review, no committee consensus was sought on the individual documents.

Thank you for the privilege of participating in this important exercise.

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Introduction

In 1997, the government of the day undertook a major reform of the province's education system. The *Education Act* was amended by the *Fewer School Boards Act, 1997* (Bill 104) thereby reducing the number of school boards in Ontario to 72, of which 12 were newly created or restructured French-language school boards.

In addition to this major structural reform, the provincial government also passed the *Education Quality Improvement Act, 1997* (Bill 160), which introduced a new approach to funding education in Ontario. The stated objectives of the new funding approach were to enhance the quality of education, accountability, efficiency, and equality of opportunity for every student. These objectives were to be realized through a fundamental shift in how revenues were raised and spent by individual school boards. Under this new funding approach, the power to raise revenues directly through the local property tax base was taken away from school boards, with the Province becoming responsible for determining boards' funding requirements and for allocating funding to meet those requirements.

The new approach was a major departure from how education was funded in the past. As the formula to implement the funding reforms was to be completed over time, the actual impact on each of the four systems could not be immediately assessed. Whether the new approach would address the issues raised with the previous tax-based system could only be determined once all elements of the new system were designed and in operation for a period of time.

A section was therefore written into the *Education Act* to provide for a review of the new approach to ensure that it worked in a fair and non-discriminatory manner. Section 257.107 (1) requires that a committee be established in 2003, to review whether the legislation and regulations governing education funding operate in a fair and non-discriminatory manner as between public and Catholic boards. This provision allowed the government five years, between 1998 and 2003, to develop and refine the funding model (see Appendix E for details of refinements and enhancements to the funding regulations).

Mandate

Section 257.107 (1) of the *Education Act* states, "The Lieutenant Governor in Council shall by order appoint a committee to consider whether the legislation and regulations governing education funding meet the standard set out in subsection 234(2) of the *Education Act*."

Section 234(2) of the Act states, "Regulations made under subsection (1) shall ensure that the legislation and regulations governing education funding operate in a fair and non-discriminatory manner, (a) as between English-language public boards and English-language Roman Catholic boards; and (b) as between French-language public district school boards and French-language separate district school boards."
The Act further specifies that this Legislative Review Committee begin its work no sooner than June 30, 2003, and that it prepare a report by December 31, 2003. In accordance with the provision, the work of the Legislative Review Committee was to

focus on comparing fairness in funding between public and Catholic boards, which included:

- Establishing evaluative criteria against which fairness and non-discrimination between public and Catholic boards could be measured,
- Examining the funding impacts of the current approach to funding,
- Identifying inequities, if any, in education funding between public and Catholic boards, and
- Preparing a summary report of its findings.

According to the Act, the committee must promptly submit its report to the Minister of Education. The Minister is then to submit the committee's report to the Lieutenant Governor in Council and table it in the Legislative Assembly.

Membership and Scope of the Legislative Review Committee

The Legislative Review Committee, which was appointed by the Lieutenant Governor in Council, is made up of representatives from the four trustees associations.

In keeping with the requirements of the legislation, the scope of the committee's work, has been narrowly defined. The committee has reviewed the impact of current education funding regulations and the cumulative impact of changes to education funding since 1998-99, with specific attention to comparing the impacts on English-language public and English-language Catholic school boards, as well as French-language public and French-language Catholic school boards. As required by the legislation, this comparison has been limited to determining whether funding is fair and non-discriminatory as between public and Catholic boards. It is important to recognize that "fair and non-discriminatory" does not imply equal funding. In this context, it means that there are no systemic mechanisms or omissions within the structure of the funding formula that would allow boards in similar circumstances to receive differing funding levels.

Our legislated mandate did ***not*** extend to a review of fairness between English- and French-language boards. It also did ***not*** extend to a review of whether funding in the system is adequate. After five years of student-focused funding, we believe, with Dr. Rozanski, that "adequacy " is one of the critical issues in education funding. As a result, we have agreed that each trustee association should be free to identify specific areas of concern, such as inadequate and/or inequitable funding, and that these areas of concern would be included as appendices to this report.

Background

Taxation Before 1998

Prior to 1998, school boards set local education property tax rates, and municipalities collected the taxes on behalf of the boards. This resulted in boards raising and spending very different amounts of revenue on a per-pupil basis.

The assessment bases of some boards, in particular rural and northern boards, were smaller than those of other boards, which limited their ability to raise additional revenues. English Catholic boards and the French public board (Conseil des écoles publiques de langue française d'Ottawa-Carleton) were also coterminously disadvantaged due to their smaller size and assessment bases. In addition, some of these boards felt they had to match the tax rate of their coterminous boards, and some even set lower tax rates to avoid creating incentives for taxpayers to switch their designations from the English Catholic to the English public board or from the French public board to the French Catholic board. The disproportionate access to local property tax revenue resulted in some inequities among school boards in general.

Taxation and the Current Funding Formula

In 1997, the *Education Quality Improvement Act* (Bill 160) gave the Province the authority to control education tax rates. Based on a new current-value assessment system, the government now sets a uniform rate for the education portion of property taxes for all residential properties, and a rate that varies by municipality for business properties. As a result of Bill 160, school boards are no longer able to raise revenues through the property tax system to meet their local needs.

As to constitutional issues, the taxation and grant provisions of Bill 160 were determined by the courts to respect the Constitutional guarantee for supporters of Catholic schools.

Principles of the Current Funding Formula

The current approach to funding was developed in response to the government's concerns with rising local taxes, school board accountability, quality of programming and what was a disparity of resources available to the different types of school boards.

The funding formula's stated intent was to:

- Provide a fair level of funding to students wherever they live,
- Focus a higher proportion of resources on the classroom and limit spending on administration and governance,
- Provide funding to maintain and build schools when needed,
- Protect funding for students with special needs, and
- Require school boards to report consistently on how they spend funding.

Structure of the Current Funding Formula

The current funding formula consists of the Foundation Grant, ten special purpose grants, and the Pupil Accommodation Grant.

- The Foundation Grant provides each board with the same amount of funding on a per-pupil basis to support the components of a classroom education that are required by all students.

- The ten special purpose grants provide boards with different per-pupil funding to recognize the differing needs of individual students and school boards, due to factors such as geographic location, language proficiency, transportation needs, and

specialized programs.

- The Pupil Accommodation Grant provides boards with funding towards the costs of operating and maintaining schools, and providing new classroom accommodations.

The calculations of the formulas are applied equally to all boards. While the Foundation Grant provides a similar base amount for all students, the special purpose grants have been designed to respond to school boards' differing circumstances related to their differing costs. About one half of board funding is built on special purpose grants and the Pupil Accommodation Grant. As a result, total per-pupil funding will inevitably vary significantly from board to board, depending on location, student needs, and a board's demographic profile. For example, the more widely dispersed a board's schools, the more funding will be generated through the Geographic Circumstances Grant, the Transportation Grant, and the Administration and Governance Grant to help meet its needs.

Method of Analysis

The Legislative Review Committee concluded that comparing per-pupil allocations between similar boards is the most credible measure of the legislative test of whether the funding formula operates in a fair and non-discriminatory manner, as between English-language public boards and English-language Catholic boards, and as between French-language public boards and French-language Catholic boards. The more similar the boards being compared, the more credible the measure. We have therefore tried to focus our comparisons on boards that share the same geographic boundaries, or "coterminous boards."

When making this comparison, it is necessary to examine trends in funding allocations prior to and after the implementation of the current funding formula in 1998. We used net expenditures data for 1997 as our starting point for comparison. This 1997 expenditure data, which was compiled by the Ministry of Education working with school board staff, formed the basis for developing the benchmarks used in the current approach to funding and determining the revenues allocated to boards under the new funding model.

The 2001-02 Financial Statements (audited statements of actual revenue) were examined because they comprise the most recent complete set of confirmed "actual" data available. The 2003-04 projected revenue to boards was also used for comparisons because it is the most complete available set of estimated data for boards' current funding levels. These figures include the Rural Education Strategy announced in the Spring 2003, as well as the student literacy enhancement announced in the Fall 2003.

English-Language Boards

There are eighteen pairs of English-language boards that share identical geographic boundaries. These 36 boards make up 60 percent of the English-language school boards, and represent 72 percent of the total enrolment for English-language boards (2003-04 projected enrolment). We therefore feel that, with respect to English-language boards, we have a strongly representative sample from which to draw our conclusions.

In addition to comparing the total per-pupil allocation, we refined our analysis further, by focusing our comparison on the total *operating* per-pupil allocations (the total allocation less capital costs of school renewal, new pupil places, outstanding capital commitments, and debt charges). It is important to isolate the per-pupil operating allocation, because funding for capital can vary significantly from board to board due to the capital history of particular boards (for example, extent and condition of boards' capital stock in 1997; variations in size of capital debt in 1997).

To round out the analysis, we also compared **all** English public boards to **all** English Catholic boards.

We also extended our comparison to a grant-by-grant level to determine whether the structure of the allocations, particularly the special purpose grants, operate in a fair and non-discriminatory manner.

In conducting our analysis, we recognize that we should not expect a comparison of coterminous boards to result in identical per-pupil allocations. Even though coterminous boards share many of the same characteristics, they may differ in terms of students' socio-economic backgrounds, linguistic background, and so forth, which may result in slightly different per-pupil allocations.

French-Language Boards

Our analysis of French-language boards provided us with unique challenges. In the case of the English-language boards we felt that our comparison of coterminous boards provided us with a sound basis for comparison. Unfortunately, the use of coterminous comparators was not available to us for the French-language boards.

The 12 French-language boards cover vast regions of Ontario in an uneven fashion. There are no coterminous boards. In some areas of the province, there is some partial overlap of the geographic boundaries between public and Catholic French-language boards, but in other areas there is no overlap at all.

It was nevertheless decided that per-pupil comparisons of total operating per-pupil allocations and total per-pupil allocations would be made between the most comparable French public and French Catholic board. The Legislative Review Committee acknowledged that because of the differences between the two boards, the results of this limited comparison would be more illustrative than conclusive.

For the most part, our analysis focused on a comparison of **all** French public boards to **all** French Catholic boards, and on comparing the structure of the funding formula allocation by allocation. Admittedly, for methodological reasons, the conclusions of this type of comparison are not as compelling as those drawn from the coterminous analysis done for the English-language boards.

Findings

Funding Trends - English-Language Boards

Coterminous Boards

Total Operating Funding Per Pupil - English Coterminous Boards ($)

Board Type	1997 Net Expenditures	2001-02 Revenue	2003-04 Revenue
Public	6,598	6,441	7,253
Catholic	5,758	6,389	7,222

Of the English coterminous boards, in 1997 the public boards received more operating funding per pupil than Catholic boards by 14.6 percent. The differences in operating funding per pupil for 2001-02 and for 2003-04 between public and Catholic boards were marginal, 0.8 and 0.4 percent respectively. See Appendix A for further details.

Total Per Pupil Allocations -English Coterminous Boards ($)

Board Type	1997 Net Expenditures	2001-02 Revenue	2003-04 Revenue
Public	6,924	6,768	7,647
Catholic	6,282	6,948	7,840

In 1997, public boards received a higher total per-pupil allocation compared to Catholic boards by 10.2 percent. In 2001-02 and 2003-04, Catholic boards received higher total per-pupil allocations by 2.7 and 2.5 percent respectively. See Appendix B.

Provincial Overview - English-Language Boards

Total Operating Funding Per Pupil ($)

Board Type	1997 Net Expenditures	2001-02 Revenue	2003-04 Revenue
Public	6,528	6,450	7,253
Catholic	5,721	6,387	7,228

The provincial picture virtually parallels the situation of the 18 coterminous English-language boards. When comparing all of the English-language boards, in 1997, public boards received more operating funding per pupil than Catholic boards by 14.1 percent. By 2001-02 the gap had been closed to 1 percent and is now virtually eliminated. For further details, see Appendix C.

Total Per Pupil Allocations ($)

Board Type	1997 Net Expenditures	2001-02 Revenue	2003-04 Revenue
Public	6,846	6,805	7,671
Catholic	6,268	6,980	7,882

In 1997, public boards received a higher per-pupil total allocation compared to Catholic boards by 9.2 percent. In 2001-02, Catholic boards received a higher per-pupil total allocation compared to public boards by 2.6 percent. The 2003-04 data illustrate a

similar pattern with Catholic boards receiving a higher per-pupil total allocation by 2.8 percent. See Appendix D.

Grant-by-Grant Comparison of the Funding for English-Language Boards 2003-04 Projections

Allocation	Difference in Per-Pupil Funding ($)*	Explanation of Difference
Foundation -Basic, Local Priorities	21 Public	Secondary students generate a higher per-pupil amount compared to elementary students. Since English public boards have a slightly higher proportion of secondary students, they receive more combined funding per pupil than the English Catholic boards.
Special Education	37 Public	English public boards receive more funding per-pupil primarily due to their proportion of students in care and treatment facilities and the proportion of students with high needs that the board has demonstrated to date through the Intensive Support Amount (ISA) claims process.
Language	50 Public	English public boards offer a greater number of English as a Second Language programs.
Geographic Circumstances	27 Catholic	On average, the schools of English Catholic boards have lower enrolment and are farther apart than the English public boards. Therefore, this grant provides more funding to English Catholic boards in order to address the higher costs of operating their schools.
Learning Opportunities	5 Catholic	No significant difference.
Continuing Education and Other Programs	33 Catholic	Boards receive the same amount per pupil based on the number of adults attending adult day school programs, continuing education programs, and correspondence/self-study programs.
Teacher Qualifications and Experience	2 Catholic	No significant difference.
Early Learning	5 Public	This grant provides funding to boards that do not offer Junior Kindergarten (JK) at all or do not offer JK everywhere in their jurisdictions. Not a significant difference.
Transportation	51 Catholic	English Catholic boards receive more funding per pupil for transportation because of the higher costs (based on 1997 data) of transporting a smaller student population over greater distances.

Declining Enrolment Adjustment	7 Public	Minor difference.
Administration and Governance	21 Catholic	The English Catholic boards, which receive remote and rural funding, also receive additional funding for administration and governance due to the higher costs of operating board offices and central facilities.
School Operations	44 Public	The Supplementary Area Factor recognizes unique design features of a board's schools. A slightly greater number of schools within English public boards have unique design features. In addition on average, English public boards are under capacity and therefore are entitled to more top-up funding per pupil.
School Renewal	21 Public	The renewal cost per square foot increases for older schools (over 20 years old). English public boards have a greater number of schools that are over 20 years old, and therefore receive more funding for school renewal.
New Pupil Places	171 Catholic	Only boards whose enrolment exceeds the capacity of their schools at the elementary and secondary levels receive the New Pupil Places Allocation. Because, on average, English Catholic boards have a higher need for new pupil places, they receive more funding per pupil to finance the construction of new buildings or additions.
Prior Capital Commitments	85 Catholic	Varies depending on capital-related debt incurred by boards.

*The differences in per-pupil funding between public and Catholic boards were calculated based on 2003-04 projected funding allocations and average daily enrolment (ADE). Also indicated, is the board type that received the higher amount per pupil.
Excludes 2003-04 investments not yet allocated (ISA and Prohibitive to repair schools). Includes Rural Education Strategy and student literacy enhancements.
Figures rounded to nearest dollar.

Explanation

The 1997 net expenditure data was used as the starting point to determine how the new funding model affected boards in 1998-99. This starting point was used to determine the phase-in funding for a board. Generally speaking, those boards with access to a larger pool of property taxes relative to their student population were able to spend more on their students and therefore had higher per-pupil spending in 1997. Public boards generally had higher levels of property taxes per pupil relative to the Catholic boards. This explains why the public sector per-pupil spending in 1997 was 14.6 percent higher than in the Catholic sector.

It should also be noted that the Legislative Review Committee did not review or assess the need or the quality of programs and services afforded by these additional resources. As a result of the new criteria and benchmarks used in the current funding formula,

some English public boards experienced a reduction in funding.

With the introduction of the new education funding model and the loss of taxing powers, boards were allocated mitigation funding to give them time to bring their spending in line with the levels in the new funding model. The majority of the mitigation funding was provided to English public boards, particularly boards in major urban areas where, on a per-pupil basis, revenue from property taxation was higher than for many other boards. Mitigation funding was provided in 1998-99 and 1999-2000, and ended with a one-time payment in March 2000. Since the 2000-01 school year, all boards have received revenue generated by the same funding regulations applied to all boards.

The total operating funding per pupil is similar for both public and Catholic boards for the 2001-02 and 2003-04 school years. The slight differences in operating funding are due to the special purpose grants, which reflect the varying needs of boards.

Furthermore, when examining the total per-pupil allocations, the data indicate that English Catholic boards receive more funding than English public boards. The differences can primarily be attributed to the higher New Pupil Places allocations provided to Catholic boards to help support the construction of new schools or additions needed to address an inadequate capital stock.

Based on the analyses conducted above, the Legislative Review Committee concludes that the legislation and regulations governing education funding appear to operate in a fair and non-discriminatory manner as between English-language public and English-language Catholic boards.

Funding Trends - French-Language Boards

Boards for Comparison

The Conseil des écoles publiques de l'Est de l'Ontario and the Conseil scolaire de district catholique du Centre-Est de l'Ontario cover a geographic region that is the most comparable of the French-language boards. Although limited in its use, the data below provides a comparison between French-language boards.

Total Operating Funding Per Pupil – French Boards ($)

Board Type	1997 Net Expenditures	2001-02 Revenue	2003-04 Revenue
Public – CSD des écoles publiques de l'Est de l'Ontario (59)	7,264	7,952	9,176
Catholic – CSD catholique du Centre-Est de l'Ontario (66)	6,502	7,436	8,408

In 1997, the French public board received more operating funding per pupil than the French Catholic board by 11.7 percent. The operating funding per-pupil amounts for 2001-02 and 2003-04 remained higher for the public board compared to the Catholic board, but the gap closed to 6.9 and 9.1 percent respectively.

Total Per Pupil Allocations – French Boards ($)

Board Type	1997 Net Expenditures	2001-02 Revenue	2003-04 Revenue
Public – CSD des écoles publiques de l'Est de l'Ontario (59)	7,654	8,711	9,969
Catholic – CSD catholique du Centre-Est de l'Ontario (66)	7,147	7,890	9,019

In 1997, the French public board received more total per-pupil funding by 7.1 percent compared to the French Catholic board. In 2001-02 and 2003-04, the French public board still received more funding than the Catholic board, by 10.4 and 10.5 percent respectively.

Provincial Overview - French-Language Boards

The committee agreed that it was impossible to reach a compelling conclusion based on the comparison of French Catholic boards and French public boards at the provincial level. The following analyses were conducted for illustrative purposes.

Total Operating Funding Per Pupil ($)

Board Type	1997 Net Expenditures	2001-02 Revenue	2003-04 Revenue
Public	7,943	9,020	10,585
Catholic	6,691	7,956	9,154

When comparing all of the French-language boards, in 1997, public boards received more operating funding per pupil than Catholic boards by 18.7 percent. In 2001-02 and 2003-04, public boards continued to receive more operating funding per pupil compared to Catholic boards, with the gap closing to 13.4 and 15.6 percent respectively. For further details, see Appendix C.

Total Per Pupil Allocations ($)

Board Type	1997 Net Expenditures	2001-02 Revenue	2003-04 Revenue
Public	8,193	9,747	11,543
Catholic	7,203	8,252	9,700

In all three years French public boards received a higher per-pupil total allocation compared to Catholic boards by 13.7, 18.1, and 19.0 percent. See Appendix D.

Grant-by-Grant Comparison of the Funding for French-language Boards 2003-04 Projections

Allocation	Difference in Per-Pupil Funding ($)*	Explanation of Difference
Foundation -Basic, Local Priorities	29 Public	Since French public boards have a slightly higher proportion of secondary students, they receive more funding per pupil than the French Catholic boards.

Special Education	135 Public	The French public boards receive more funding per-pupil primarily due to their proportion of students in care and treatment facilities and the proportion of students with high needs that the board has demonstrated to date through the Intensive Support Amount (ISA) claims process.
Language	116 Public	French public boards offer a greater number of Perfectionnement du français (PDF) programs, and receive more funding under the Actualisation linguistique en français (ALF) allocation due to its weighting for the assimilation factor and smaller average board size.
Geographic Circumstances	869 Public	On average, the schools of French public boards have lower enrolment and are farther apart than the French Catholic boards. Therefore, this grant provides more funding to French public boards in order to address the higher costs of operating their schools.
Learning Opportunities	19 Public	No significant difference.
Continuing Education and Other Programs	76 Public	Boards receive the same amount per pupil based on the number of adults attending adult day school programs, continuing education programs, and correspondence/self-study programs.
Teacher Qualifications and Experience	63 Catholic	French Catholic boards receive more funding based on teachers' qualifications and years of experience.
Early Learning	0	All French boards offer Junior Kindergarten.
Transportation	56 Public	French public boards receive more funding per pupil because of the higher costs (based on 1997 data) of transporting a smaller student population over greater distances.
Declining Enrolment Adjustment	69 Catholic	French Catholic boards are experiencing a faster decline in enrolment compared to French public boards and therefore receive a higher adjustment per pupil.
Administration and Governance	108 Public	The French public boards, which receive remote and rural funding, also receive additional funding for administration and governance due to the higher costs of operating board offices and central facilities.
School Operations	175 Public	The Supplementary Area Factor recognizes unique design features of a board's schools. A greater number of schools within French public boards have unique design features, which explains their higher per-pupil amount.

School Renewal	37 Public	The renewal cost per square foot increases for older schools (over 20 years old). French public boards have a greater number of schools that are over 20 years old, and therefore receive more funding for school renewal.
New Pupil Places	338 Public	Capital transitional funding is higher for French public boards that have enrolment pressures in areas that do not have permanent accommodation.
Prior Capital Commitments	37 Public	Varies depending on capital-related debt incurred by boards.

*The differences in per-pupil funding between public and Catholic boards were calculated based on 2003-04 projected funding allocations and average daily enrolment (ADE). Also indicated, is the board type that received the higher amount per pupil.
Excludes 2003-04 investments not yet allocated (ISA and Prohibitive to repair schools). Includes Rural Education Strategy and student literacy enhancements.
Figures rounded to nearest dollar.

Explanation

For the French-language sector, the data above illustrates that the French public boards receive more funding than the Catholic boards on a per-pupil basis. This is likely due to a number of factors including the fact that there are only four French public boards that are spread across the province, a factor that affects board costs, and so tend to be reflected in increases in some allocations.

The relationship between French public boards and French Catholic boards is the inverse of the relationship between English public boards and English Catholic boards. French public boards represent the minority within the French-language school board system. Because of the characteristics of French public boards, notably low enrolment and widely dispersed schools, the formulas of the special purpose grants generate higher per-pupil amounts through the Geographic Circumstances Grant and the Transportation Grant. As well, French public boards receive significantly more funding through the New Pupil Places allocation for the construction of schools or additions in specific areas of enrolment growth.

While the trends reflect what one might expect if the formula were working in a fair and non-discriminatory manner between French public and Catholic systems, the committee could not conclude whether this proves that the legislative test has been met for French-language boards. The committee was unable, within the limits of available data, to determine a more appropriate test of fairness and non-discrimination between public and Catholic French boards at this time.

Conclusion

Based on the analyses conducted above, the Legislative Review Committee concludes that the legislation and regulations governing education funding appear to operate in a fair and non-discriminatory manner between English public and English Catholic boards. However, the committee members cannot reach a definitive conclusion regarding fairness and non-discrimination between French public and French Catholic boards due

to the limits of available data and methodological challenges that are a function of the size, structure and location of the French-language boards.

In the course of its review, the committee has noted that some allocations, several of which are currently under review, should be re-examined to ensure fairness.

- The committee supports the consensus of the education sector that the current approach to funding student transportation does not adequately reflect the varying costs that boards have in delivering this important service. Given that the current funding is still primarily based upon 1997 expenditure levels that were the result of board's different transportation policies, the possibility exists that transportation funding is not fair as between English-language boards and as between French-language boards. The committee acknowledges that no test has been conducted to substantiate whether or not fairness exists, but contends that a new model must be implemented as soon as possible.

  The committee notes the new government's commitment to introducing a new approach to funding for student transportation, and urges the Province to ensure that the new approach provides a level of funding appropriate to the different costs of different school boards. It also encourages the government to give due regard to the Constitutional rights of boards in setting criteria that guide or limit board consortia in the purchase or delivery of transportation services. The committee urges the government to introduce these changes for the 2004-05 school year.

- The committee also notes the government's commitment to review funding under the Learning Opportunities Grant that is responsive to social factors affecting student achievement. The current approach measures social factors at a school population level. The committee urges the government to ensure that the measurement of social factors in a restructured allocation does not disadvantage school boards whose schools draw students from a wide geographical territory or jurisdiction and that appropriate factors supported by the best available data are used as the basis of grant distribution.

- The committee notes that all school boards face high costs to address deferred maintenance and repair of school buildings. We urge the government to base its distribution of any new funding to address these costs on an equitable measurement of each board's relative need. The Ministry's current approach to assess the condition of each school would provide an appropriate basis for the allocation of funding for deferred costs of school renewal.

The Legislative Review Committee strongly recommends that the government continue to review fairness and non-discrimination of education legislation and regulations on an on-going basis, to ensure that future changes continue to provide fair and non-discriminatory funding.

While the committee is pleased to make these findings in response to its mandate, the committee has also identified broader areas of concern related to the current funding formula. These concerns relate to the adequacy of the current level of funding and the need to keep funding appropriately responsive to boards' changing costs. The concerns of each trustees' association are described in detail in the appendices.

The French trustee committee members encourage the Ministry of Education and French-language school board representatives to complete work underway in response to Recommendation 14 of the Education Equality Task Force Report, which recommended that the funding formula be amended as appropriate to recognize the higher costs experienced by French-language boards.

The Legislative Review Committee members agree with the conclusions of this report. The concerns raised by each association that are appended to this report represent the views of each particular association. Since the appendices address issues outside the parameters of the review, no committee consensus was sought on the individual documents.

Appendix A - Total Operating Funding to Boards on a Per-Pupil Basis: English Coterminous Boards

English Public Boards					Coterminous English Catholic Boards				
DSB #	DSB Name	1997 Net Expenditures	2001-02 Revenue	2003-04 Revenue (Includes RES and ESL/LOG enhancements)	DSB #	DSB Name	1997 Net Expenditures	2001-02 Revenue	2003-04 Revenue (Includes RES and ESL/LOG enhancements)
8	Avon Maitland DSB	$5,942	$6,498	$7,366	36	Huron-Perth Catholic DSB	$5,366	$6,841	$7,893
7	Bluewater DSB	$5,809	$6,555	$7,522	35	Bruce-Grey Catholic DSB	$5,935	$7,335	$8,452
23	Grand Erie DSB	$5,957	$6,390	$7,234	51	Brant Haldimand Norfolk Catholic DSB	$5,265	$6,240	$6,889
26	Upper Canada DSB	$6,244	$6,673	$7,591	52	Catholic DSB of Eastern Ontario	$6,007	$6,640	$7,425
22	DSB of Niagara	$6,152	$6,222	$6,958	50	Niagara Catholic DSB	$5,405	$6,190	$6,923
13	Durham DSB	$5,731	$6,054	$6,804	45	Durham Catholic DSB	$5,209	$5,983	$6,707
9	Greater Essex County DSB	$6,370	$6,165	$6,883	37	Windsor-Essex Catholic DSB	$5,690	$6,085	$6,829
20	Halton DSB	$5,961	$6,148	$6,679	46	Halton Catholic DSB	$5,105	$5,824	$6,458
21	Hamilton-Wentworth DSB	$5,948	$6,221	$7,112	47	Hamilton-Wentworth Catholic DSB	$5,814	$6,299	$6,952
6.1	Lakehead DSB	$6,377	$6,939	$7,984	34.1	Thunder Bay Catholic DSB	$6,242	$7,056	$8,081
10	Lambton Kent DSB	$6,122	$6,358	$7,164	39	St. Clair Catholic DSB	$5,596	$6,432	$7,635
11	Thames Valley DSB	$6,063	$6,339	$7,116	38	London District Catholic School Board	$5,782	$6,427	$7,138
25	Ottawa-Carleton DSB	$7,062	$6,440	$7,448	53	Ottawa-Carleton Catholic DSB	$6,161	$6,701	$7,371
28	Renfrew County DSB	$6,016	$6,483	$7,382	54	Renfrew County Catholic DSB	$6,074	$7,266	$8,000
6.2	Superior-Greenstone DSB	$8,162	$9,259	$11,615	34.2	Superior North Catholic DSB	$7,328	$10,053	$12,177
12	Toronto DSB	$7,735	$6,788	$7,693	40	Toronto Catholic DSB	$6,086	$6,610	$7,799
24	Waterloo Region DSB	$5,950	$6,194	$6,855	49	Waterloo Catholic DSB	$5,227	$6,118	$6,953
16	York Region DSB	$6,228	$6,157	$6,758	42	York Catholic DSB	$5,691	$6,181	$6,838
Summary	Public Coterminous (18 boards)	$6,598	$6,441	$7,253	Summary	Separate Coterminous (18 matching boards)	$5,758	$6,389	$7,222

Appendix B - Total Funding to Boards on a Per-Pupil Basis: English Coterminous Boards

English Public Boards					Coterminous English Catholic Boards				
DSB #	DSB Name	1997 Net Expenditures	2001-02 Revenue	2003-04 Revenue (Includes RES and ESL/LOG enhancements)	DSB #	DSB Name	1997 Net Expenditures	2001-02 Revenue	2003-04 Revenue (Includes RES and ESL/LOG enhancements)
8	Avon Maitland DSB	$6,049	$6,638	$7,551	36	Huron-Perth Catholic DSB	$5,734	$7,182	$8,333
7	Bluewater DSB	$6,093	$6,806	$7,887	35	Bruce-Grey Catholic DSB	$5,978	$7,446	$8,626
23	Grand Erie DSB	$5,975	$6,579	$7,494	51	Brant Haldimand Norfolk Catholic DSB	$5,781	$6,731	$7,440
26	Upper Canada DSB	$6,536	$6,873	$7,907	52	Catholic DSB of Eastern Ontario	$6,284	$7,100	$7,943
22	DSB of Niagara	$6,208	$6,377	$7,164	50	Niagara Catholic DSB	$5,877	$6,729	$7,499
13	Durham DSB	$6,033	$6,547	$7,335	45	Durham Catholic DSB	$6,015	$6,583	$7,280
9	Greater Essex County DSB	$6,923	$6,405	$7,222	37	Windsor-Essex Catholic DSB	$6,174	$6,466	$7,303
20	Halton DSB	$6,397	$6,505	$7,089	46	Halton Catholic DSB	$5,745	$6,602	$7,272
21	Hamilton-Wentworth DSB	$6,264	$6,493	$7,431	47	Hamilton-Wentworth Catholic DSB	$6,352	$6,756	$7,448
6.1	Lakehead DSB	$6,632	$7,328	$8,381	34.1	Thunder Bay Catholic DSB	$6,397	$7,362	$8,387
10	Lambton Kent DSB	$6,217	$6,504	$7,357	39	St. Clair Catholic DSB	$5,970	$6,880	$8,074
11	Thames Valley DSB	$6,250	$6,629	$7,474	38	London District Catholic School Board	$6,188	$7,089	$7,587
25	Ottawa-Carleton DSB	$7,679	$6,673	$7,825	53	Ottawa-Carleton Catholic DSB	$6,459	$7,138	$8,103
28	Renfrew County DSB	$6,284	$6,662	$7,618	54	Renfrew County Catholic DSB	$6,017	$7,555	$8,439
6.2	Superior-Greenstone DSB	$9,625	$9,483	$12,042	34.2	Superior North Catholic DSB	$7,424	$10,347	$13,452
12	Toronto DSB	$8,040	$7,103	$8,084	40	Toronto Catholic DSB	$6,711	$7,182	$8,406
24	Waterloo Region DSB	$6,246	$6,531	$7,193	49	Waterloo Catholic DSB	$5,895	$6,757	$7,523
16	York Region DSB	$6,822	$6,857	$7,471	42	York Catholic DSB	$6,319	$6,976	$7,768
Summary	Public Coterminous (18 boards)	$6,924	$6,768	$7,647	Summary	Separate Coterminous (18 matching boards)	$6,282	$6,948	$7,840

Appendix C - Total Operating Funding to Boards on a Per-Pupil Basis

DSB #	DSB Name	1997 Net Expenditures	2001-02 Revenue	2003-04 Revenue (Includes RES and ESL/LOG enhancements)
1	DSB Ontario North East	$7,594	$8,226	$9,540
2	Algoma DSB	$7,090	$7,772	$9,151
3	Rainbow DSB	$6,705	$7,190	$8,160
4	Near North DSB	$6,751	$7,174	$8,318
5.1	Keewatin-Patricia DSB	$7,263	$8,417	$10,187
5.2	Rainy River DSB	$7,224	$8,575	$9,827
6.1	Lakehead DSB	$6,377	$6,939	$7,984
6.2	Superior-Greenstone DSB	$8,162	$9,259	$11,615
7	Bluewater DSB	$5,809	$6,555	$7,522
8	Avon Maitland DSB	$5,942	$6,498	$7,366
9	Greater Essex County DSB	$6,370	$6,165	$6,883
10	Lambton Kent DSB	$6,122	$6,358	$7,164
11	Thames Valley DSB	$6,063	$6,339	$7,116
12	Toronto DSB	$7,735	$6,788	$7,693
13	Durham DSB	$5,731	$6,054	$6,804
14	Kawartha Pine Ridge DSB	$5,878	$6,259	$7,180
15	Trillium Lakelands DSB	$6,381	$6,666	$7,753
16	York Region DSB	$6,228	$6,157	$6,758
17	Simcoe County DSB	$5,675	$6,040	$6,771
18	Upper Grand DSB	$5,755	$6,289	$6,946
19	Peel DSB	$6,503	$6,047	$6,614
20	Halton DSB	$5,961	$6,148	$6,679
21	Hamilton-Wentworth DSB	$5,948	$6,221	$7,112
22	DSB of Niagara	$6,152	$6,222	$6,958
23	Grand Erie DSB	$5,957	$6,390	$7,234
24	Waterloo Region DSB	$5,950	$6,194	$6,855
25	Ottawa-Carleton DSB	$7,062	$6,440	$7,448
26	Upper Canada DSB	$6,244	$6,673	$7,591
27	Limestone DSB	$6,587	$6,715	$7,636
28	Renfrew County DSB	$6,016	$6,483	$7,382
29	Hastings and Prince Edward DSB	$6,220	$6,665	$7,466
30.1	Northeastern Catholic DSB	$6,066	$8,290	$10,189
30.2	Nipissing-Parry Sound Catholic DSB	$6,112	$7,920	$9,004
31	Huron-Superior Catholic DSB	$6,598	$7,409	$8,772
32	Sudbury Catholic DSB	$6,125	$7,018	$7,981
33.1	Northwest Catholic DSB	$6,183	$8,102	$9,534
33.2	Kenora Catholic DSB	$6,700	$8,531	$9,413
34.1	Thunder Bay Catholic DSB	$6,242	$7,056	$8,081
34.2	Superior North Catholic DSB	$7,328	$10,053	$12,177
35	Bruce-Grey Catholic DSB	$5,935	$7,335	$8,452
36	Huron-Perth Catholic DSB	$5,366	$6,841	$7,893
37	Windsor-Essex Catholic DSB	$5,690	$6,085	$6,829
38	London District Catholic School Board	$5,782	$6,427	$7,138
39	St. Clair Catholic DSB	$5,596	$6,432	$7,635
40	Toronto Catholic DSB	$6,086	$6,610	$7,799
41	Peterborough V N C Catholic DSB	$5,336	$6,463	$7,400
42	York Catholic DSB	$5,691	$6,181	$6,838
43	Dufferin-Peel Catholic DSB	$5,478	$6,018	$6,819
44	Simcoe Muskoka Catholic DSB	$5,221	$6,128	$7,028
45	Durham Catholic DSB	$5,209	$5,983	$6,707
46	Halton Catholic DSB	$5,105	$5,824	$6,458
47	Hamilton-Wentworth Catholic DSB	$5,814	$6,299	$6,952
48	Wellington Catholic DSB	$5,588	$6,248	$6,848
49	Waterloo Catholic DSB	$5,227	$6,118	$6,953
50	Niagara Catholic DSB	$5,405	$6,190	$6,923
51	Brant Haldimand Norfolk Catholic DSB	$5,265	$6,240	$6,889
52	Catholic DSB of Eastern Ontario	$6,007	$6,640	$7,425
53	Ottawa-Carleton Catholic DSB	$6,161	$6,701	$7,371
54	Renfrew County Catholic DSB	$6,074	$7,266	$8,000
55	Algonquin and Lakeshore Catholic DSB	$5,979	$6,938	$7,793
56	CSD du Nord-Est de l'Ontario	$8,265	$12,136	$14,858
57	CSD du Grand Nord de l'Ontario	$9,129	$11,316	$13,203
58	CSD du Centre Sud-Ouest	$8,311	$9,242	$11,069
59	CSD des écoles publiques de l'Est de l'Ontario	$7,264	$7,952	$9,176
60.1	CSD catholique des Grandes Rivières	$6,854	$8,559	$10,070
60.2	CSD catholique Franco-Nord	$6,877	$8,515	$10,310
61	CSD catholique du Nouvel-Ontario	$6,764	$8,440	$10,110
62	CSD catholique des Aurores boréales	$7,627	$13,406	$16,515
63	CSD des écoles catholiques du Sud-Ouest	$6,956	$7,905	$8,913
64	CSD catholique Centre-Sud	$6,796	$8,067	$9,001
65	CSD catholique de l'Est ontarien	$6,438	$7,398	$8,500
66	CSD catholique du Centre-Est de l'Ontario	$6,502	$7,436	$8,408
	Provincial Totals	**$6,323**	**$6,505**	**$7,339**
	Public DSB Totals	**$6,548**	**$6,483**	**$7,299**
	Separate DSB Totals	**$5,837**	**$6,552**	**$7,426**
	Public English DSB Totals	**$6,528**	**$6,450**	**$7,253**
	Separate English DSB Totals	**$5,721**	**$6,387**	**$7,228**
	Public French DSB Totals	**$7,943**	**$9,020**	**$10,585**
	Separate French DSB Totals	**$6,691**	**$7,956**	**$9,154**

Appendix D - Total Funding to Boards on a Per-Pupil Basis

DSB #	DSB Name	1997 Net Expenditures	2001-02 Revenue	2003-04 Revenue (Includes RE3 and ESL/LOG enhancements)
1	DSB Ontario North East	$7,842	$8,478	$10,215
2	Algoma DSB	$7,166	$7,929	$9,375
3	Rainbow DSB	$6,781	$7,341	$8,344
4	Near North DSB	$6,871	$7,392	$8,619
5.1	Keewatin-Patricia DSB	$7,913	$8,731	$10,636
5.2	Rainy River DSB	$9,412	$8,873	$10,433
6.1	Lakehead DSB	$6,632	$7,328	$8,381
6.2	Superior-Greenstone DSB	$9,625	$9,483	$12,042
7	Bluewater DSB	$6,093	$6,806	$7,887
8	Avon Maitland DSB	$6,049	$6,638	$7,551
9	Greater Essex County DSB	$6,923	$6,405	$7,222
10	Lambton Kent DSB	$6,217	$6,504	$7,357
11	Thames Valley DSB	$6,250	$6,629	$7,474
12	Toronto DSB	$8,040	$7,103	$8,084
13	Durham DSB	$6,033	$6,547	$7,335
14	Kawartha Pine Ridge DSB	$6,031	$6,593	$7,589
15	Trillium Lakelands DSB	$6,720	$7,066	$8,259
16	York Region DSB	$6,822	$6,857	$7,471
17	Simcoe County DSB	$5,941	$6,650	$7,314
18	Upper Grand DSB	$5,969	$6,673	$7,394
19	Peel DSB	$7,028	$6,662	$7,241
20	Halton DSB	$6,397	$6,505	$7,089
21	Hamilton-Wentworth DSB	$6,264	$6,493	$7,431
22	DSB of Niagara	$6,208	$6,377	$7,164
23	Grand Erie DSB	$5,975	$6,579	$7,494
24	Waterloo Region DSB	$6,246	$6,531	$7,193
25	Ottawa-Carleton DSB	$7,679	$6,673	$7,825
26	Upper Canada DSB	$6,536	$6,873	$7,907
27	Limestone DSB	$6,667	$6,936	$7,895
28	Renfrew County DSB	$6,284	$6,662	$7,618
29	Hastings and Prince Edward DSB	$6,211	$6,815	$7,669
30.1	Northeastern Catholic DSB	$6,720	$8,626	$12,136
30.2	Nipissing-Parry Sound Catholic DSB	$6,314	$8,214	$9,410
31	Huron-Superior Catholic DSB	$6,723	$7,586	$9,008
32	Sudbury Catholic DSB	$6,204	$7,241	$8,344
33.1	Northwest Catholic DSB	$6,324	$8,197	$9,788
33.2	Kenora Catholic DSB	$7,496	$8,922	$10,167
34.1	Thunder Bay Catholic DSB	$6,397	$7,362	$8,387
34.2	Superior North Catholic DSB	$7,424	$10,347	$13,452
35	Bruce-Grey Catholic DSB	$5,978	$7,446	$8,626
36	Huron-Perth Catholic DSB	$5,734	$7,182	$8,333
37	Windsor-Essex Catholic DSB	$6,174	$6,466	$7,303
38	London District Catholic School Board	$6,188	$7,089	$7,587
39	St. Clair Catholic DSB	$5,970	$6,880	$8,074
40	Toronto Catholic DSB	$6,711	$7,182	$8,406
41	Peterborough V N C Catholic DSB	$7,187	$7,175	$8,070
42	York Catholic DSB	$6,319	$6,976	$7,768
43	Dufferin-Peel Catholic DSB	$6,048	$6,836	$7,655
44	Simcoe Muskoka Catholic DSB	$5,953	$6,949	$7,880
45	Durham Catholic DSB	$6,015	$6,583	$7,280
46	Halton Catholic DSB	$5,745	$6,602	$7,272
47	Hamilton-Wentworth Catholic DSB	$6,352	$6,756	$7,448
48	Wellington Catholic DSB	$5,814	$6,869	$7,489
49	Waterloo Catholic DSB	$5,895	$6,757	$7,523
50	Niagara Catholic DSB	$5,877	$6,729	$7,499
51	Brant Haldimand Norfolk Catholic DSB	$5,781	$6,731	$7,440
52	Catholic DSB of Eastern Ontario	$6,284	$7,100	$7,943
53	Ottawa-Carleton Catholic DSB	$6,459	$7,138	$8,103
54	Renfrew County Catholic DSB	$6,017	$7,555	$8,439
55	Algonquin and Lakeshore Catholic DSB	$6,415	$7,384	$8,245
56	CSD du Nord-Est de l'Ontario	$8,216	$13,426	$17,417
57	CSD du Grand Nord de l'Ontario	$9,134	$11,671	$13,979
58	CSD du Centre Sud-Ouest	$8,528	$9,974	$12,083
59	CSD des écoles publiques de l'Est de l'Ontario	$7,654	$8,711	$9,969
60.1	CSD catholique des Grandes Rivières	$7,252	$8,748	$10,639
60.2	CSD catholique Franco-Nord	$6,941	$8,699	$10,940
61	CSD catholique du Nouvel-Ontario	$7,018	$8,724	$10,475
62	CSD catholique des Aurores boréales	$7,715	$13,542	$19,068
63	CSD des écoles catholiques du Sud-Ouest	$7,838	$8,112	$9,416
64	CSD catholique Centre-Sud	$7,996	$8,448	$9,651
65	CSD catholique de l'Est ontarien	$6,570	$7,601	$8,872
66	CSD catholique du Centre-Est de l'Ontario	$7,147	$7,890	$9,019
	Provincial Totals	**$6,711**	**$6,929**	**$7,834**
	Public DSB Totals	**$6,863**	**$6,844**	**$7,725**
	Separate DSB Totals	**$6,380**	**$7,114**	**$8,069**
	Public English DSB Totals	**$6,848**	**$6,805**	**$7,671**
	Separate English DSB Totals	**$6,268**	**$6,980**	**$7,882**
	Public French DSB Totals	**$8,193**	**$9,747**	**$11,543**
	Separate French DSB Totals	**$7,203**	**$8,252**	**$9,700**

Appendix E -Enhancements to Education Funding Since 1998-99

1998-99		1999-2000		2000-01		2001-02	
Phase-in funding	$380M	Special education (SEPPA)	$30M	Special education (ISA)	$43M	Local priorities	$200M
Restructuring	384.4M	Operations and renewal funding for "top-up" and unique design features	211M	Literacy & Math for Grades 7 and 10	25M	Remote and rural	37M
Elementary textbooks	100M	Stable funding guarantee	143M	French boards	10M	Targeted new pupil places	20M
Retirement Gratuities	87M	Phase-in	240M	ESL	20M	Transportation (in- year)	29M
		Grade 9 textbooks	30M	Teacher advisor	64M	Grade 11 textbooks	15M
				Principals in small schools	10M	Elementary and secondary textbooks, including Grade 12 textbooks	65M
				Administration and governance for small, rural, and northern boards	4.5M	Early Reading - textbooks	14M
				Teachers' salaries	182M	- implementation	10M
				Reduced class size (elem)	101M		
				Reduced class size (sec)	162M		
				Phase-in payout	268M		
				Special education (JK-Grade 3)	70M		
				Early literacy (LOG)	70M		
				Transportation (in-year)	23M		
				Utilities (in-year)	40M		
				Grade 10 textbooks	30M		

2002-03		2003-04	
Local priorities	$200M	Textbooks, Learning Materials, Classroom Supplies, Classroom Computers ($66M over 3 yrs)	$22M
Declining enrolment	36M		
Learning opportunities	15M		
Transportation	29M		
School renewal	25M		
Special education (Assessments)	10M	Rural Education Strategy	50M
Transportation (Budget)	20M	Geographic Circ.	13M
Prohibitive Repairs Component	6.2M	Small Schools	6M
Early Math	25M	School Renewal Prohibitive Repairs	25M
Early Math expansion (Budget)	5M	Renovations	25M
Student Achievement Fund	20M	Students At Risk (LOG)	50M
Professional Learning Resources (Budget)	10M	Transportation	20M
Salary Benchmarks	340M	Salaries	340M
ISA Cycle 3	129.1M	Technological Education ($90M over 4 yrs -EPO)	10M
ISA Cycle 4	71.5M	Student Literacy (ESL/PDF, LOG)	112M

December 2003

Appendix F

Ontario Catholic School Trustees' Association

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President: Louise Ervin
Vice-President: Paul Whitehead
Executive Director: John Stunt

January 23, 2004

The Honourable Gerard Kennedy
Minister of Education
22nd Floor, Mowat Block
900 Bay Street
Toronto ON M7A 1L2

Dear Minister Kennedy:

OCSTA appreciates the opportunity afforded by the government to have direct input to the provincial Legislative Review. Discussions on the equity of education funding are important to our Catholic community and particularly important to each of our Catholic school boards and the students they serve.

As you are aware, our Catholic community has long sought funding equity. In recent years, OCSTA worked collaboratively with successive governments and our many provincial education partners through the process of education finance reform. OCSTA welcomed the province's move to a student-focused funding model that promised every student access to equality of educational opportunity.

OCSTA concurs with the conclusion of the Legislative Review Committee that the legislation and regulations governing education funding appear to operate in a fair and non-discriminatory manner between English public and English Catholic boards. This finding supports the conclusion reached by OCSTA following our own comprehensive analysis of the funding formula and its impact on school boards.

The results of our analysis are documented in our brief entitled "Student-Focused Funding: Equality of Educational Opportunity". We are pleased to append the Executive Summary of our brief to the Report of the Legislative Review Committee. The full text of our brief will be forwarded to you in the near future.

It is OCSTA's belief that the fundamental structure of the current funding model is fair and non-discriminatory and that this structure must be maintained. As our brief outlines,

however, we do have some specific concerns about the Transportation Grant and the Learning Opportunities Grant. These grants should be re-examined to insure fairness.

It is essential that the fairness of education legislation and regulations be reviewed on an on-going basis to insure that future changes continue to provide fair and non-discriminatory funding.

The adequacy of all education grants must also be addressed. OCSTA's specific concerns in regard to adequacy are found in our Association's 2003 Finance Brief entitled "Adequate Funding for Education Excellence", which was sent to you in late November, 2003.

OCSTA looks forward to working with the government and other education partners on all of these important issues.

Sincerely,

Louise Ervin

Louise Ervin
President

Student –Focused Funding: Equality of Educational Opportunity

A Submission to the Legislative Review Committee

December 19, 2003

Ontario Catholic School Trustees' Association

Executive Summary

Founded in 1930, the Ontario Catholic School Trustees' Association (OCSTA) represents 29 English-language Catholic district school boards and 5 English-language Catholic school authorities. Collectively, these school boards educate over 600,000 students from junior kindergarten to grade 12/OAC.

The Mission of all Catholic school boards and their schools is to create a faith community where religious instruction, religious practice, value formation and faith development are infused into every area of the curriculum. This is in addition to providing a complete curriculum as defined by the Ministry of Education.

Throughout the process of education finance reform, OCSTA has appreciated the recognition of and respect for the constitutional rights and unique mandate of Ontario's four publicly funded systems. This recognition is reflected in the mandate for this Legislative Review.

OCSTA is pleased to provide our submission to the Legislative Review Committee. The Committee's discussions on the equity of education funding are important to our Catholic community and particularly important to each of our Catholic school boards and the students they serve.

OCSTA has worked collaboratively with each successive government and our many provincial education partners through the process of education finance reform. In fact the most recent round of reform had its roots in the hard work of the Peterson government in implementing the completion of funding for Catholic high schools – a significant step announced with all-party support by the previous government. Implementation began shortly after the Liberal government was elected in May, 1985. The process of reform culminated in the introduction of the current student-focused funding formula in March, 1998. Since 1998, OCSTA has monitored the implementation of the formula and its impact on school boards. Using our findings, OCSTA has provided on-going input to the Minister of Education and Ministry staff, particularly through annual finance briefs, regarding necessary refinements to the formula. We are pleased that several of our recommendations have been implemented.

OCSTA welcomed the province's move to a student-focused funding model that promised every student in Ontario access to equality of educational opportunity. It is our position that the legal requirement for "fair and non-discriminatory funding" and the foundation of equity for all children upon which the model is built **must** be maintained.

The Catholic school boards in Ontario welcomed the promise of equity provided in the Education Quality Improvement Act, 1997 (Bill 160). **After five years of careful monitoring and analysis, it is OCSTA's belief that the fundamental structure of the funding formula is fair and non-discriminatory and meets**

the standard of equity, as it provides equality of educational opportunity for all students in Ontario.

The mandate of the Legislative Review is to determine if the student-focused funding model is operating "in a fair and non-discriminatory manner

a) as between English-language public boards and English-language Roman Catholic boards; and

b) as between French-language public district school boards and French-language separate district school boards." (*Subsection 234(2) Education Act)*

The Review is an assessment of the equity of current education funding, and not of its adequacy. The Education Equality Task Force recently conducted an extensive review of funding adequacy. OCSTA has endorsed most of the recommendations in the Report of the Task Force and has welcomed the funding increases that have resulted.

It is essential that adequate funding be available on an on-going basis to support a quality educational experience for Ontario's students. It is our Association's strong recommendation that a provincial advisory committee be created with representation from Education partners and the province to monitor the impact of student-focused funding and to provide on-going advice to the Minister on funding issues.

Historical Overview

To understand the issues and concerns discussed in the submission, it is helpful to first understand the historical development of the current funding model.

This history will explain why the current funding model exists and why a return to a system of education finance that gives school boards authority to levy rates on their supporters would produce inequity in education funding and inequality of educational opportunity.

The Old Funding Model

Under the education model in place prior to 1997, school boards were able to levy mill rates (property taxes) on their assessment (the real property owned or rented by their supporters). There were no limits on their ability to do so, but Catholic boards were compelled by competition to match tax rates with public boards or risk losing assessment and supporters.

The old funding model had two basic inequities in it. First, since assessment wealth is not concentrated evenly across Ontario, urban boards had more assessment wealth and therefore a greater ability to generate revenue by levying mill rates than did rural or remote boards. Second, the assessment system operated in such way that Catholic and French boards invariably had less

assessment per pupil and therefore less ability to generate revenue than their coterminous public boards.

Under the old funding model, school boards received government grants that had the effect of equalizing revenue only somewhat i.e., to the "grant ceiling", which was an inadequate amount to educate a child. Expenditures beyond the grant ceiling were funded entirely by local ratepayers.

The Assessment Base Problem

From Confederation to the passage of *the Education Quality Improvement Act, 1997* (Bill 160), the education funding model depended to a great degree on the ability of local school boards to levy their respective assessment base. Assessment wealth was therefore a critical component of school board funding.

The problem remedied by Bill 160 was the inequality of assessment wealth as a source of education financing. The single largest impediment to the achievement of the goal of equality of educational opportunity in the past in Ontario was unequal access to assessment by school boards on a geographic basis, because urban areas have more assessment wealth than rural areas.

There was also coterminous inequity. On a coterminous basis the assessment system operates so that public boards have (and always had) greater assessment wealth than Catholic coterminous boards, and English boards have (and always had) greater assessment wealth than French boards.

The assessment system has a built in "default" mechanism. All directable assessment was (and still is) automatically assigned to the local English public board unless the ratepayer takes the specific steps required by the *Education Act* to direct assessment support to the local Roman Catholic school board, or the French-language school boards, as their constitutional rights may permit. The effect is to leave public boards with more residential assessment than they would obtain if the rules of choice were neutral.

While financial autonomy was theoretically available to Catholic boards in the past, given their unfettered ability to levy rates, it was not practically available because of their need to match local mill rates with assessment richer coterminous public boards in order to avoid an exodus of ratepayers. Matched mill rates inevitably yielded less revenue per student for Catholic boards.

Despite years of effort, it was very difficult for Catholic boards to achieve access to corporate assessment. The evolution of the system, described later in our brief, illustrates a number of occasions where there was an effort to solve this inequity, but each effort fell short until Bill 160 was enacted.

Any funding model that permits any access by school boards to the assessment base will inevitably produce inequality and unproductive and costly competition for local assessment.

It was in wrestling with these basic facts that the Government decided in 1997 to render inoperative the authority of school boards to levy taxes in order to achieve equity.

Inequity in per pupil spending was one of the reasons for the new funding model. Another was the fact that the Province effectively had no control over total education spending because of the ability of school boards to tax. Wealthy boards could and did lead expenditure increases. The Province had no real financial ability to ensure equity.

The New Funding Model

The Education Quality Improvement Act ("Bill 160") reformed the education financing system. Catholic boards now have a residential assessment base consisting of those properties whose owners or tenants are Catholic, and who have directed support to the board, along with residential assessment directed by sole proprietors, partnerships and private corporations in the proportion of Catholic ownership. Public boards have a similar residential assessment base. All business assessment is pooled within a municipality and is divided among the boards in the proportion of their students.

The ability of school boards to levy their respective assessment bases has been rendered inoperative. The Province sets the education tax rate. Funds, generated through the provincial education tax rate from a board's residential assessment base and from pooled business assessment, flow from the municipality to the school board. The difference between the amount that a board receives from property taxes and the amount that it is entitled to receive under the new funding model is provided directly by the Province in the form of grants. The result is an equitable distribution of education funding.

Funding Milestones

The march to equity and equality of educational opportunity in Ontario has been a long one. Successive provincial governments worked toward the ideal of equality of educational opportunity for elementary and secondary education. Milestones along the way included the following:

1886 Legislation was passed that permitted a corporation to direct a portion of its property taxes to the separate school board in proportion to the number of Catholics holding shares. However, practical difficulties with the process remained.

1936 Premier Mitchell Hepburn's government passed an amendment to the Assessment Act to deal with the difficulties.

1958 The concept of equalized taxable assessment was introduced. The grant increased directly with need and inversely with wealth. The corporation tax problem remained.

1963 The Foundation Plan was created, based on a model school program, the costs of which were estimated in sample boards. This foundation level mandated a standard mill rate to be levied locally with the balance coming from grants. Expenditures beyond the base level were at local taxpayer's expense.

1969 The county and district boards of education and Roman Catholic separate school boards were created. The ordinary operating expenditure grants were based on local equalized assessment per pupil.

1985 The Peterson government implemented the completion of funding to Catholic high schools.

1989 The *Education Statute Law Amendment Act*[1] ("Bill 64"), was introduced. It provided for pooling of public corporation tax revenues at the coterminous-board level, such revenues to be shared on the basis of the proportion of residential and farm assessment. It permitted Catholic members of a business partnership to designate their school support to the separate school board in proportion to their interest in the partnership. It eliminated the separate school zones inside district and county separate school boards.

1991 The Fair Tax Commission studied the design and implementation of a more equitable tax system in Ontario. Simultaneously, the Minister of Education established the Education Finance Reform Project.

1992 Bill 27 expanded the range of corporations whose assessment would be pooled.

1993 The Fair Tax Commission released its Report. It operated from the premise that "virtually every component of Ontario's system of local government finance is in a state of crisis or near crisis."[2]

1994 The Province enacted the *Budget Measures Act*, 1994.[3] This legislation provided that the pooled assessment of designated corporations would be split on a per-pupil basis, rather than on the basis of share of assessment. However, the legislation also provided that the change would be phased in over a five-year period

ending in 1998. Bill 160 superseded the full implementation of the Budget Measures Act, 1994.

1995 The government established the Ontario School Board Reduction Task Force. The Task Force recommended the provincial pooling of commercial and industrial assessment and the equitable redistribution of the revenues.

1996 The Minister of Education established a new Education Finance Reform Working Group consisting of Ministry officials and the representatives of the major stakeholders in education.

1998 The Minister of Education announced the student-focused funding model on March 25, 1998.

Fair and Non-Discriminatory Funding

A fair and non-discriminatory funding model supports equality of educational opportunity for every student in Ontario. It allocates resources in such a manner that no students, boards or school systems are inherently disadvantaged by virtue of their unique nature, or of circumstances beyond their control.

Such a formula

1) identifies those items in terms of which all boards should be treated equally and funds accordingly;

2) identifies those characteristics <u>of students</u> around which equal treatment of all would be unfair, and funds differentially in response to those characteristics;

3) identifies those characteristics of <u>school boards</u> around which equal treatment of all would be unfair and funds differentially in response to these characteristics.

It is OCSTA's belief that the fundamental structure of the funding model is fair and non-discriminatory and meets the standard of equity, as it provides equality of educational opportunity for all students in Ontario.

At the same time, OCSTA must point out two specific aspects of the formula that continue to cause us concern and that we believe require careful attention and further study. These areas of concern to OCSTA are the Learning Opportunities Grant and the Transportation Grant. These grants and our concerns are discussed in detail later in this brief.

Many of the allocations within the funding model provide the same basic amount for each student, and are thus fair and non-discriminatory. Grants allocated equally include, for example, the Foundation Grant, the Special Education Per Pupil Amount (SEPPA) and the Literacy and Numeracy Grant.

Equal funding alone, however, does not produce equity or fairness. For this reason, several grants within the funding formula are distributed differentially rather than equally. They are allocated according to sound, commonly accepted criteria. They are accessible to all school boards. They address situations in which specific groups of students or particular boards, because of factors beyond their control, require special funding in order for equality of educational opportunity to be realized. Grants allocated differentially include, for example, the Intensive Support Amount (ISA) within the Special Education Grant, the various components of the Language Grant, the Geographic Circumstances Grant, the Declining Enrolment Grant, the School Operations, School Renewal and New Pupil Place Grants.

OCSTA has concluded that all of these grants are fair and non-discriminatory and meets the standard of equity, as they provide equality of educational opportunity for all students in Ontario. As mentioned earlier, OCSTA does have concerns with the equity of two specific grants.

Transportation Grant

The student population of most Catholic school boards is less densely concentrated than that of coterminous public boards and therefore is likely to have a greater need for transportation services.

Catholic parents have a constitutional right to choose to send their children to Catholic schools. For this right to be exercised, Catholic schools must be truly accessible to these children and their families, either by virtue of their reasonably close proximity, or by the provision of pupil transportation.

A new transportation formula announced by the Ministry of Education in June, 2003, favours an approach that provides allocations for specific components of the formula including the home-to-school distance for every student enrolled in the school. The impact of the proposed new funding formula and its ability to meet the unique transportation needs of Catholic school boards cannot be fully assessed until the actual funding rate for each of the relevant factors is determined. OCSTA must withhold judgement of the new formula until the financial implications for Ontario's Catholic school boards are known.

One specific aspect of the proposed new transportation funding formula raises issues of equity for Catholic school boards. The June 26, 2003 Memorandum B15 from the Ministry of Education to Directors of Education makes reference to a government decision "that boards would have to be part of a transportation consortium to be eligible for funding under the new model."

Catholic school boards have a long history of cooperating with public boards and other partners to find cost savings in student transportation and have already implemented many cost-saving strategies including, in many cases, joint bussing. OCSTA must reiterate our longstanding opposition, however, to mandated transportation consortia.

For certain boards, a consortium would increase the cost of students transportation and is thus not a viable option. The prospect of mandated consortia also raises concerns regarding school board autonomy. It is essential that Catholic boards retain full autonomy in determining local transportation policies and service standards, not only to meet program requirements but also to ensure the accessibility of a Catholic school to those families who choose Catholic education for their children.

Mandatory participation in any consortium that increases the cost of student transportation or impairs boards' ability to set appropriate service standards would be unacceptable to Catholic school boards. Given the distinctive transportation needs of Catholic schools, any policy or regulation that requires such participation in order for a board to receive transportation funding would be seen by OCSTA and our member boards as unfair and discriminatory.

OCSTA is concerned with the inequities in the current transportation funding formula. Current transportation allocations continue to be based on boards' 1997 transportation expenditures. They penalize boards who worked hard to achieve efficiencies and cost reductions prior to that time.

Learning Opportunities Grant (LOG)

The Learning Opportunities Grant (LOG), which now will allocate about $470 million annually is a very significant public expenditure. The demographic component provides funding to school boards based on social and economic indicators that have been associated with a higher risk of academic difficulties for students.

OCSTA supports the basic purpose of the Grant. Our concern however, is about the fairness of its distribution.

The allocation under the Demographic Component of the LOG has two portions. The first portion ($210 M) was introduced in 1998. The second portion ($15M in 2002 and an additional $95M in December, 2003) followed the Report of the LOG Working Group. OCSTA identifies problems with both portions.

Under the old approach, funding units are apportioned to each board using municipal enumeration data showing school-aged population of Public and Separate and English and French electors. Reliance on municipal enumeration

data is problematic for Catholic and French boards since this data underestimates the size of the Catholic and French population.

The new approach to the demographic component of LOG has its own flaws that we believe, disadvantage Catholic schools.

Under the new allocation, qualification for funding is based on school-level demographics. In general, schools under the jurisdiction of Catholic boards, and especially Catholic secondary schools, draw their student population from a wider geographic area than schools under the jurisdiction of public boards. The more neighbourhoods involved, the more heterogeneous the population that will be used as the source of data for determining the number of funding units that the school generates.

Although neighbouring Catholic and public schools may have the same absolute number of high-risk students, because of the reliance on population concentration one school may well generate more funding units and more funding to support those students than the other school. The emphasis on population concentration is thus problematic for Catholic schools' Learning Opportunity Grants.

The impact of these two flaws is that the LOG may not conform to the requirement of s.234 (2) of the Education Act that the grant regulation operate in a fair and non-discriminatory manner.

OCSTA believes that the Learning Opportunities Grant requires review to ensure it is an appropriate model for predicting students at risk.

Summary of Recommendations

Recommendation 1
That a provincial advisory committee be created with representation from Education partners and the province to monitor the impact of student-focused funding and to provide on-going advice to the Minister on funding issues.

Recommendation 2
That, in the interests of equity, the total taxation levy for education continue to be determined provincially.

Recommendation 3
That the fundamental structure of the student-focused funding model and the commitment to equity on which the model is built, be maintained.

Recommendation 4
a) That the government proceed as quickly as possible with the implementation of a new and more realistic transportation formula to provide equitable and adequate funding to school boards on a permanent basis.

b) That education stakeholders be consulted before a new formula for funding transportation is determined and implemented.

c) That any provincial framework for transportation co-operatives include sufficient flexibility to allow for the spectrum of models required to respond to local circumstances and student needs.

d) That a review process be established after a reasonable point in time to ensure that any revisions to the grant meet the test of equity.

Recommendation 5
a) That the current formula for the demographic component of the Learning Opportunities Grant be reviewed to establish equity

b) That a review process be established at a reasonable point in time to ensure that any revisions to the grant meet the test of equity.

Appendix G

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The Ontario Public School Boards' Association (OPSBA) has serious concerns that the review, as legislated by the previous provincial government, is too narrow and ignores numerous Board challenges to the validity of both benchmark costs and benchmark factors, where they exist. The issue of "adequacy" of funding provided in the model is not open for consideration in this review even though this is the single most criticized aspect of the model – the inadequacy of funding provided to Boards to deliver needed programs and services to meet student needs. Dr. Rozanski's report of the Education Equality Task Force supported school board contentions that the dollars provided in the model are inadequate as compared to the actual cost of education services and programs. Attached for further information is the *Ontario Public School Boards' Association Briefing Note on Education Finance, November 2003.*

Within the narrow legislative definition of the review, one aspect of the funding model is not "fair" and is "discriminatory." Transportation grants continue to reflect the 1997 status quo, which existed prior to the creation of the larger amalgamated boards. Costs are directly related to distance and the creation of 72 district school boards creates a very large geographic variance in both French and English language boards. This issue has never been addressed and continues to be outstanding. Creation of a fair transportation funding model which reflects the actual costs of transportation is urgently required. OPSBA supports an early (2004-2005) resolution to this outstanding grant issue.

Recognizing that our following comments are outside of the scope of this review, as defined by subsection 234, OPSBA continues to seek a benchmark cost/factor review process as proposed by Dr. Rozanski in the Education Equality Task Force report (Recommendation #3) and as proposed by the Ministry of Education in the release of the 2003-2004 GLG's. Most specifically benchmarks for wages and benefits need to be reviewed, amended and funded. Other benchmark issues exist but this is the most critical.

Further issues include the merits of funding according to per pupil, per school or per board depending on the item, for more accurate, adequate and locally sensitive funding. Also, the underlying principle needs to be reviewed that supported the principle of tightly centralized control of school board management through legislation and regulation that looks very much like

micro management. It is time-consuming without an equal benefit, and therefore, we strongly encourage its reconsideration. For example, the requirement to use the local media to publish details of the Boards use of Rural Education Strategy funding (Memorandum 2003:B17) is clear micro management and unnecessary accountability that could easily be accomplished through existing internal Board publications.

OPSBA looks forward to continue to work with the government to ensure continued respect for the principles of equity, funding adequacy, autonomy and flexibility for school boards.

Ontario Public School Boards' Association
Briefing Notes on Education Finance
November 2003

INTRODUCTION

The Ontario Public School Boards' Association (OPSBA) represents the educational interests of more than 1.3 million elementary and secondary students from all regions of the province, or two-thirds of the student population in Ontario. The Association's mission is to promote and enhance public education for the benefit of all students and citizens of Ontario. Public district school boards and school authorities in Ontario serve two thirds of Ontario's school-aged population, and provide every individual with equal access to educational opportunities regardless of gender, race, religion, ethnicity, disability and place of residence.

OPSBA has consistently and passionately advocated the views of our member boards with regard to issues, both technical and political, respecting education financing in general and the funding model in particular. We are pleased to take an opportunity to give a brief overview of some of our positions on these issues, and to identify also some potential issues that we see in some of the Liberal party's proposed education directions, as we know them.

OPSBA has stated that the funding formula is not an end in itself – the goal is to advance student learning. The primary purpose of an equitable and adequate funding model is to support student achievement. We believe the current provincial funding situation is short-changing our children's future and falls short of the real needs of Ontario's students.

When the provincial funding formula for education was introduced in 1998, its stated goal was to ensure that educational funding is fair, equitable, responsive to student needs, focused on the learner, and responsible for promoting accountable decision-making for student success. Under this model, the government dictates how much each board can spend and to a large extent, what the money must be used for. By seizing complete control of education funding, the provincial government assumed absolute responsibility for ensuring adequate funding of education.

The 1994 Report of the Royal Commission on Learning titled *For the Love of Learning*, Volume IV, Making It Happen, states:

Based on our public hearings, combined with insights from our research, it is clear that two issues are important to the future of school reform. The first is equity – the question of whether the system distributes available resources in a manner that is fair to all students in the province. The second issue is what we call adequacy – the question of what funding is required to provide the kind of school program we envision.

The issues of equity and adequacy in funding continue to plague the public education system. In fact, our financial analysis of the funding formula paints a disturbing picture of a model that is failing our children. **To produce balanced budgets, essential programs and services have been lost. Boards which have balanced budgets have done so at the expense of programs that help students succeed.**

The Ontario Public School Boards' Association knows that the "flexibility" funds currently provided by the province are not giving boards the ability to define educational priorities at the local level. Due to inadequacies throughout the model, these "flexibility" funds are used to fill funding gaps caused by incorrect costing assumptions throughout the model. Shortfalls in the funding of wages and benefits represent the single largest funding shortfall in the formula that absorbs any "flexibility" provided.

Assumptions that all aspects of educational funding can be allocated on a per pupil basis must be challenged. Assumptions that funding prior to 1997 was adequate to form appropriate costing models for today's children also must be challenged. **We submit, however, that the model is not the whole problem. The dollars within the model ARE the problem - or should we say the LACK of dollars within the model.** OPSBA has identified key issues which, on a provincial level, are funding priorities which need to be addressed. These issues are:

- identifying and/or updating benchmarks;
- salaries and benefits;
- information and communications technology;
- transportation and
- declining enrolment.

Boards of education have struggled to overcome the growing gaps between the actual costs of education and the amount provided for in the provincial grants. The chronic under-funding of specific cost factors within the funding model has caused all boards to take action to compensate for a gap by depleting other budget areas, resulting in the loss or reduction of student programs and services. Some of the provincial expectations and directions mapped out through the funding formula are in fact not happening in most districts.

When preparing a submission to the Education Equality Task Force, OPSBA included some commentary on our "vision of the funding model". The same themes that appeared in those paragraphs continue to be advocated by the Association:

- **the funds in the model are inadequate;**
- **the funds in the model must be based upon relevant and updated benchmarks;**
- **not all aspects of the model should be funded on a per-pupil basis;**
- **boards require access to either a revenue source or to non-allocated dollars to meet local needs.**

SUMMARY OF ISSUES

Benchmarks

It is OPSBA's view that the "benchmark" is the single most important component of the funding model. We request that the government follow through with a funding model benchmark review as outlined by the Ministry of Education in the release of the 2003/2004 General Legislative Grants.

We understand that it is the Province that establishes the goals, policies, standards and performance expectations of the education system in Ontario. To this end, it is the Ministry of Education's responsibility to establish the structures and the funding to support these directions. It is only through adequate funding that district school boards can be expected to deliver quality programs and services to meet both student needs and provincial directions.

As well, OPSBA strongly supports the need for local flexibility for boards as recommended by the Education Equality Task Force (EETF). Flexibility can only happen if adequate funding is provided through realistic benchmarks that match the actual cost of delivering programs and services.

OPSBA believes that the benchmark review needs to consider a mechanism for annual reviews of both the benchmark factors and the benchmark costs to ensure that the funding formula remains relevant. The EETF outlined these two components and it is OPSBA's view that the current funding model lacks several key factors to enable accurate costing of provincially established directions.

Benchmark factors define what kind of education system the province expects boards to provide while benchmark costs translate the factors into purchasing power for boards to provide education programs. The quality of programs that any board can deliver is directly related to benchmark factors and benchmark costs as defined and established by the province.

In the report of the EETF, Dr. Rozanski referred to benchmarks saying *"If, as I said at the beginning of this report, the funding formula is an instrument for achieving the policy goal of continuous improvement in student learning and achievement, and if we want to ensure that a high level of achievement is sustained, the formula needs to be reviewed and updated on a regular basis. Only in this way will it continue to be an effective tool."* To this end, Dr. Rozanski recommended that "the Ministry of Education, in consultation with school boards and other members of the education community, develop mechanisms for annually reviewing and updating benchmarks in the funding formula and for conducting a more comprehensive overall review of the formula every five years".

OPSBA supports this direction and requests that it be represented in the review process.

Salaries

Over the past two fiscal years, a recurring issue for school boards, parents and the Ministry of Education has been the maintenance of a stable environment in the provision of educational

programs and services. The Government has certainly recognized this need for stability and has legislated boards and teacher bargaining groups to develop three year collective agreements. Public school boards state that these agreements must take into consideration the impact of salary settlements in the broader public sector across Ontario. As a result, **the Government of Ontario must be part of the negotiations process, in some appropriate form, to ensure that settlements are reasonable and affordable and that funding is provided to meet negotiated increases.**

The funding gap in the salary benchmarks area has had a profound impact on students. In all staffing categories raises for staff have been partially paid for by reductions in the number of staff. This has resulted in fewer teacher librarians, fewer guidance counsellors, fewer educational assistants, fewer social supports to students (professional, para-professionals, etc.) and fewer specialized teachers (itinerant music teachers, physical education specialists, etc.).

Actual teacher salaries in Ontario are as much as 10% higher than grants provided in the current funding model. Therefore, in those boards, 10% of the cost of each teacher must be found through reductions in staff and/or reductions in student programs and services. This issue will have a profound impact on those boards as the Government implements promised class size reductions. This will require boards to initiate further reductions in staff, programs and services to cover the unfunded "local" cost.

Benefits

Boards are responsible for three categories of benefits:

- Statutory benefits (EHT, CPP, EI, WSIB, OMERS/TPP)
- Non-statutory benefits (dental, health, life insurance, LTD, etc)
- Retirement Gratuities.

For Ontario school boards, the shortfall between funding for benefits and their actual cost has continued to grow each year. That shortfall currently is $1,149 for each teacher, for both statutory and non-statutory benefits.

The funding model has not kept pace with the legislative statutory benefit increases, of which school boards have absolutely no control. **The government of Ontario must be mindful of the impact of payroll tax changes and benefit cost increases on school board expenditures and fund these increases accordingly.** School boards should not be expected to use "flexibility funds" to maintain the predominant "fixed" cost of education. The funding formula should ensure that the legitimate "fixed" costs of boards are covered year to year - when there are increases experienced as a result of government action or market forces. Examples include a raise in EI and CPP premiums or other government-regulated benefits. The government should fund the "actual" costs boards must pay for these.

Non-statutory benefit costs are part of annual negotiations; however industry cost increases continue to escalate reflecting market pressures, aging staff and a sharp increase in new drugs available for treatments. **If the province continues to avoid funding this cost pressure, boards will be forced to continue to reduce expenditures on other programs and services to fund the shortfall.** These reductions will certainly impact on the classroom and students.

Since 1998, board annual expenditures for retirement gratuities have been significantly impacted by changes to the Teachers Pension Plan and the Ontario Municipal Employees Retirement System. These changes have occurred with the Government of Ontario's approval (which is a requirement). Boards do not have direct influence on changes to these plans even though the plans directly impact annual expenditures. Several changes have been announced "in-year" which have significant budget impact on boards. With the exception of the 1998 short year, no additional funds have been provided by the province to overcome these cost increases.

Prior to the current funding model, boards were able to "save" teacher salary budgets in the year following retirement through the normal hiring process. These savings could be used to create a reserve for future retirement gratuity payments or to mitigate the impact of the annual cost increases in the budget and therefore on the local mill rate. This is no longer the case as savings from lower staff salaries are accrued to the province. At present, there is no mechanism to pass these savings on to the board to help with the extraordinary costs of gratuities. For the last three years school boards, in total, have experienced gratuity costs in excess of the provincial funding – 2% of benchmark salaries.

Information and Communications Technology

The Ministry of Education has demonstrated its awareness of the importance of Information and Communications Technology through its clearly-stated curriculum expectations, and through its creation of the Ontario Knowledge and Learning Network (OKLN) in 2000. The OKLN has studied the issue of funding of ICT in Ontario schools, and released 2 reports which identified key focuses and elements for the Ministry to consider. While OPSBA is not in a position to fully endorse the OKLN reports, **we do urge the government to review the work that has already been done in order to move the province forward in this area**.

OPSBA has identified several issues that prevent boards from successfully integrating Information and Communication Technology into the curriculum. Boards face significant technological roadblocks with respect to issues relating to the condition and availability of hardware, software and networks, the lack of staff development for educators, administrators and support staff, and in some cases, inappropriate or insufficient facilities to accommodate the necessary power, connections and equipment. A "total cost of ownership" model should be the basis for funding Information and Communications Technology for curriculum purposes and for board administration purposes.

Impacts of insufficient funding for information technology will be felt differently for different boards. For some boards, the impact may be the inability to provide enough computers with 10 or more students sharing one machine. In other boards, the impact may be the inability to provide internet access. For another board, the impact may be a lack of technical support staff, resulting in the equipment being under-utilized or perhaps even unused. Regardless of what the impact may be, school boards agree that the funding model does not provide adequate dollars for students to achieve the information technology requirements in the Ontario curriculum. Appropriate benchmarks need to be established that reflect Provincial curriculum and administrative expectations.

OPSBA would like to recommend that the government review the work of the Alberta

government in this area, as described in their report "Investigating the Total Cost of Technology in Schools: Tools and Strategies for Managing Technology Investments. Best Practices for Alberta Schools Jurisdictions". This report was published by Alberta Learning in June 2001.

Transportation

When the Province of Ontario released the Student-Focused Funding Model in 1998, it did not address a new model for student transportation. Instead, the funding was frozen for each board at its 1997 expenditure level, less three percent. No rationale was given for reducing funding by three percent. Since that time the model has been adjusted for enrolment changes (increasing or decreasing) and there has been one small permanent increase in 2002/03.

In 2002/03 the proposed funding, per the Ministry of Education, for student transportation is $611 million for 190 days. In 1997, a total of $561 million was spent on school bus operations for 185 instructional days or $576 million for 190 day equivalent. The increase over the five year period is 6 percent. Over this time period the number of students in Ontario has increased by approximately 91,000 or 4.7%. The funding increase, net of enrolment growth, for the five year period is only 1.3%. Additionally, costs have increased significantly, well in excess of inflation, with little recognition of this fact in the transportation grant since 1997. Significant inequities currently exist and continue to exist between boards as long as a new funding model is delayed. **All boards urgently need this inequity to be addressed.**

Transportation is a highly unique level of service with major variables in each of the 72 district school boards. Serving student transportation needs is very complex. Variables include:

- Walking distance
- Maximum ride time
- Specialized programs and location – i.e. FSL/ESL
- Special education
- Remote locations, board and lodging
- Lack of public transit
- Administration.

These variables are greatly affected by annual enrolment decline or increases, school openings, school closures and evolving safety issues.

In June 2003, the Ministry of Education issued Memorandum 2003:B15 – New Transportation Funding Model. This is a concept still being developed with board input. **OPSBA supports the concept and directions proposed and most specifically the timeframe for implementation – 2004/2005.** While the proposed model does not directly relate funding to actual defined needs (via benchmarks), it is a concept that would allow more flexible board use of the transportation grant. It covers the key components and would greatly reduce the administrative need to manage the grant. The proposed direction for the use of consortia is also supported by many boards to ensure maximum route development and efficiency for all students in any given catchment area. Flexibility in the development of consortia needs to exist given the multitude of existing and available options.

OPSBA will continue to work with the Ministry of Education to support the completion of a fair and equitable transportation funding model.

Declining Enrolment

As enrolment decreases there is an immediate reduction in revenues through reduced grants. However, many expenditures are not related directly to enrolment and cannot be reduced within the same time frame.

The Declining Enrolment Grant introduced for 2002-2003 is acknowledged and has benefited the boards that are experiencing declining enrolment. However, **OPSBA believes that the decreasing nature of the grant needs to be re-examined since many costs are fixed and will not decline over time.** Boards will be significantly impacted unless changes are made to the formula. Areas of specific concern are transportation, SEPPA allocations and libraries in schools not designated as "distant schools".

Renewal

OPSBA supports the Ministry initiative to develop a facilities condition index. This objective index, utilized by all boards, is a fair approach to assessing each board's capital funding needs. This index can be used to determine the adequate level of funding required by each board to appropriately maintain teaching environments and school buildings.

The total provincial allocation for "renewal" needs to be reviewed as the current allocation is substantially inadequate. All benchmark factors, specifically the "renewal cost per square foot" ($.64/$.96) need to be verified, updated and funded. One possible comparator is the Statistics Canada "non-residential condition" price. Since 1997 the change in this indicator has been about 20 percent.

The absence of adequate funding for renewal projects will only result in the continued decline of school facilities. An estimated backlog of $ 6.8 billion in renewal work currently exists and this will grow rapidly without a substantial increase in funding.

Conclusion

A mechanism to update benchmarks must be the funding priority. This will allow the province and the public to set expectations that keep pace with boards' funding realities. Additionally, OPSBA envisions a process to review the benchmarks or "cost drivers" for all operating expenditures. This process should determine whether that expenditure is best funded on a per pupil, per school, or per board basis. This process should also provide an inflationary index on the cost of "things" within the model. By working toward more centralized and/or regionalized administrative functions (e.g.: transportation consortia; provincially-standardized IT model), boards can equitably access grants and provide appropriate levels of services.

Salaries and benefits make up over 80% of boards' expenditures. It only makes sense, therefore, for the province (as funder) to play a more significant role in bargaining, setting the provincial

benchmarks and adequately funding them. OPSBA envisions a regional salary index applied to those provincial benchmarks. Statutory benefits must be funded according to their actual costs, and non-statutory benefits must be funded in line with other public sector agreements.

Public school boards have made it clear that the need for local flexibility must exist to allow them to meet the distinct needs and desires of their local community. OPSBA envisions a model that gives school boards the ability to set their own local priorities.

Appendix H

December 19, 2003

The Honourable Gerard Kennedy
Minister of Education
Mowat Block
900 Bay Street
Toronto ON M7A 1L2

Dear Minister,

The Association franco-ontarienne des conseils scolaires catholiques acknowledges that the funding formula currently being used applies to all school boards in an equal way. However, we do not agree that the formulas themselves take into account the higher costs of Francophone *conseils scolaires*, and in particular in our case, of Catholic Francophone *conseils scolaires*.

The particular circumstances and the nature of our *conseils scolaires* due to their minority situation, their geographic extent, their high number of small schools, the dispersal of their students, the higher costs of purchasing resources for the classroom, and many other factors, mean that a review of the formulas or additional funding is necessary to allow us to provide our students with an equitable quality of education. At this time that is not the case. We would refer you to the papers presented last year to the Education Equality Task Force: "Student-Focused Funding: A Detailed Analysis" in July 2002, and "French-Language Education and the Education Funding Model in Ontario" in September 2002. The purpose of the first paper was to bring to the Task Force's attention certain basic principles concerning French-language education in Ontario which must be respected in any review of the funding model, and to identify the major problems that the French-language minority in Ontario is faced with. The second paper contained a detailed analysis of the funding model, and clearly identified the inequities of the model in the case of French-language *conseils scolaires*.

We would like to point out that a Liaison Committee has been set up to examine Recommendation #14 from the Rozanski report, and to propose solutions to correct the situation. That Committee has been meeting for a few months now.

Our *conseils scolaires* are concerned by the slowness in addressing these gaps in the funding formula, which impede our students' potential and the growth of our *conseils scolaires*. In the paper entitled "The Francophone Perspective on the Funding of Education in Ontario", which will be presented to you at the end of January, we deal exclusively with funding-related issues that have an impact on our ability to provide services in French in a minority setting. The needs have been identified.

We very eagerly look forward to the government's response to our requests for equitable and equivalent funding in the 2004 – 2005 grants. We have seen the impact of the current grants. We ask you to fully satisfy the requirements of section 23 of the Canadian Charter of Rights and Freedoms. The Catholic Francophone community cannot wait any longer.

Sincerely

Joseph Bisnaire
Chair

Robert Gagné
Chief Executive Officer

Appendix I

Association des conseillères et des conseillers des écoles publiques de l'Ontario
2445 St. Laurent Boulevard
Ottawa ON K1G 6C3

January 22, 2004

Legislative Review Committee

The Association des conseillères et des conseillers des écoles publiques de l'Ontario (ACÉPO), brings together trustees from the four French language public *conseils scolaires* in Ontario.

- Conseil scolaire de district du Centre-Sud-Ouest, CSDCSO
- Conseil scolaire public du Nord-Est de l'Ontario, CSDNE
- Conseil scolaire du district du Grand-Nord de l'Ontario, CSDGNO
- Conseil des écoles publiques de l'Est de l'Ontario, CÉPEO.

The Legislative Review Committee's report has clearly concluded that the methods used to compare the two English-language systems cannot be used to compare the two French-language education systems.

ACÉPO agrees that there is no formula that uses the criteria or stated factor of being or not being a public education system or a Catholic education system. However, the impact of the funding formula is different on each education system, and, in our opinion, the impact is out of proportion in the case of the French-language public education system.

The system of funding is unfavourable to the linguistic minority

It is impossible to consider the fairness of the funding formula without commenting on the systemic inequity created by the formula between the education systems of the linguistic majority and the linguistic minority.

The size of the problem and the scope of the difficulties raised by the funding formula for the French-language *conseils scolaires* are beyond any doubt. A number of factors in the funding formula have an adverse impact on all of the French-language *conseils scolaires* compared with the English-language school boards. ACÉPO groups these factors into three main categories:

- The failure to comply with the constitutional rights of taxpayers who support the French-language public education system.
- The fact that the grants do not correspond to the real costs of providing programs and services in French in Ontario (for example, in most communities the Francophone population is in the minority. Resources that support the educational services available to the English-speaking boards in the communities are all too often not available in French).

- The fact that there are no grants or that they are poorly adapted for meeting the educational needs of students living in a linguistic minority setting.

When a French-language *conseil scolaire* is at a disadvantage because of a factor in the funding formula, it cannot absorb the loss, because that disadvantage affects it in a number of areas and because the *conseils scolaires* almost never have substantial savings.

The situation that the French-language public *conseils scolaires* are faced with is, in reality, an impossible one. Since 1998, the French-language *conseils scolaires* have had to draw on their reserves in order to meet the budget shortfalls, at an approximate amount of $5.75 M for the French-language public *conseils scolaires*. These amounts should be reimbursed to them.

The formula is particularly unfavourable to the French-language public *conseils scolaires*

We would point out that in 1998, the three other education systems (English public, English Catholic, French Catholic) all had networks of schools in Ontario. That was not the case for the French public system. When implementing the restructuring of the education system, this factor was not taken into account. There was no funding to cover the costs of establishing a provincial education system in places where it did not exist before.

There are still at least twenty Ontario communities with a substantial Francophone population that have eligible students who do not have access to public education in French. Many of these Francophones must still make a choice between respecting their rights to receive education in French, and respecting their rights to religious freedom.

In addition, the systemic difficulties created by the formula are exacerbated in the case of French-language public *conseils scolaires* because of their current circumstances, which are unique compared with the circumstances of the other education systems. In particular:

- The schools are often smaller and spread out over a larger area. It is more difficult and often impossible to ensure substantial savings. The funding formula assumes that the *conseils scolaires* are in a position to accrue such savings.
- The schools have a regional and community-based character, since their resources are spread out over a large area. It is therefore more difficult for them to share resources, which would not be the case if their communities were densely populated, as are those of the majority.
- The formula does not sufficiently take into account the needs of the growing *conseils scolaires*, which reduces the ability of the French-language public *conseils scolaires* to set up their French-language public education network.
- In addition, the public system taxpayers do not share a common religious tradition, as is the case in the Catholic system. The French-language public schools are therefore at the centre of the efforts in these communities to ask for services in French and for Francophone institutions.

These are just some examples of the difficulties caused by the failure to recognize the needs of our public education system.

Over the past few years, ACÉPO has provided proof of these inequities and these gaps. When the data is analyzed, it is clear that almost all the factors are present in their most extreme form in the French-language public system. We provide a summary table below of some elements to illustrate this point. We have modified the table to make a comparison possible between the two French-language education systems (addition of the third column), given that the mandate of the Legislative Review Committee dealt with a comparison between the French-language systems, among other factors[1].

Comparative Table	60 English-speaking school boards	12 Francophone school boards	8 Francophone Catholic school boards	4 Francophone public school boards
Enrolment (average)	31,842	7,017	8,296	4,459
Enrolment per elementary school (average)[2]	341	193	205	169
Enrolment per secondary school (average)[3]	866	275	340	172
Number of elementary schools (average)	62	26	31	18
Number of secondary schools (average)	13	7	7	8
Use of elementary facilities (average)	95.6%	67.6%	68%	66.0%
Use of secondary facilities (average)	98.3%	66.1%	70.2%	56.0%
Number of coterminous school boards (average)	3	12	9	17
Number of coterminous municipalities (average)	14	70	50	111
Area (average)[4]	6,630	33,742	24,294	52,637

[1] ACÉPO, Paper presented to the Education Equality Task Force, September 19, 2002, p. 4.

[2] The average enrolment that reflects the hiring of a full-time principal for each school is 364 students per school, which is twice the average enrolment of the French-language public elementary schools.

[3] Depending on the allocation rate in the basic grant, the average enrolment that reflects the hiring of a full-time principal for each school is 909 students per school, which is five times the average enrolment of the French-language public secondary schools.

[4] The largest French-language public *conseil scolaire* by itself covers 68,140 square kilometres.

In addition to the particular situation of the French-language public education network, there is an insufficiency of funding of education in general.

The funding formula has therefore been unfavourable to the French-language public *conseils scolaires* from the time they were created. The government has recognized that fact, and has made annual adjustments as a result. However, the problems persist and the adjustments are not sufficient to make up the shortfalls. The gap becomes wider every year.

In order to meet the needs of funding for the province's French-language public schools, an additional investment is required. Additional funds are also required to ensure the constitutional adequacy[5] of facilities, and in order to open French-language public schools in places that currently are not receiving services.

ACÉPO concludes that the formula is discriminatory, and that it is not fair.

Support Documents

ACÉPO, Paper presented to the Education Equality Task Force by ACÉPO, French-Language Public Education in Ontario: The Needs of a New School System, September 19, 2002.
http://acepo.org/pub memoires.html

ACÉPO and AFOCSC, Paper presented to the Education Equality Task Force by ACÉPO, AFOCSC and the 12 French-language *conseils scolaires* of Ontario, Student-Focused Funding: A Detailed Analysis, September 4, 2002.
http://acepo.org/pub memoires.html

ACÉPO and AFOCSC, Paper presented to the Education Equality Task Force by ACÉPO and AFOCSC. French-Language Education and the Education Funding Model in Ontario, July 15, 2002.
http://acepo.org/pub memoires.html

ACÉPO and AFOCSC, Paper presented for the study on the Rural Education Strategy by ACÉPO and AFOCSC, French-Language Education and the Rural Education Strategy, June 2, 2003.
http://acepo.org/pub memoires.html

[5] The notion of constitutional adequacy refers to the right of our taxpayers to education, including facilities that are equivalent to those of the linguistic majority.